GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:226
ANSWERED ON:30.11.2015
Expansion of Steel Plants
Nayak Shri B.V.

Will the Minister of STEEL be pleased to state:

(a) whether many projects for expansion of existing steel plants and new steel plants have been scrapped or postponed infinitely by many companies due to various reasons and if so, the details thereof;

(b) whether this has led to poor supply of domestic steel and increase in prices of steel;

(c) if so, whether the Government has identified such critical factors; and

(d) if so, the details thereof and the corrective steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF (SHRI VISHNU DEO SAI)
STEEL AND MINES

(a) Steel is a deregulated sector and investment decisions to expand the existing steel plants or to set up new steel plants are taken by the individual companies / investors based on commercial considerations, market dynamics and techno-economic viability of projects. The steel industry is facing a challenging time due to low steel prices and low profitability, issues related to land acquisition, environmental & forest clearances and availability of finances from the banks and financial institutions.

(b) The production of steel has continued to increase in the last few years. The details of crude steel production and the percentage growth for it the last three years and for the current year are placed below:

Year Crude Steel Production ('000t) Percentage Growth
2012-13 78,416 5.4
2013-14 81,693 4.3
2014-15 88,979 8.9
2015-16 (Apr. − Oct.) 52,448 -
Source: JPC

The prices of steel have softened significantly in recent period and there is no shortage of steel in the country.

(c)&(d): Do not arise.

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